James G. McDonald PO 48444 Stn Bentall Van V7X 1A2 Tel: 431-5560

Fax: 688-5442

John S. Brock 675 Granville Tel: 687-1658

Dear John Brock,

Our primary goal is to develop the "Pretty Rock Company" (Indigenous Species) for cash and barter trade (PRC = China). The logic of barter trade is to move volume where cash is not possible. Several years have been spent making contacts.

The meat and potatos is BC Nephrite Jade. Management and marketing are in place.

<u>PHASE 1</u> - Vancouver to Lillooet to Lytton to Kwoiek Creek(Jade and Vesuvianite) to Vancouver with stops.

ltinary (Pre Feasability)

Day 1 - Vancouver to D'Arcy - restake and assess Nephrite showing.

Day 2 - 4 - 4*4 and Barry Price to Hell Creek Jade (owner J. McDonald) to assess Jade on dump, in Talus and to assess the open cut mining of 200 mt in place Jade. Vein is traceable for 800 m and is 2.3 m wide. Previous production was 100 mt. Current access is 22 Km from Lillooet to the Yalakom River then by logging road to the Jade showing. 1993 mining should consume only 20 m of vein. A 1.6 m Talc vein adjacent to the Jade is potentially saleable to Quadra Stone and others (\$800/mt)

A report and video would be produced and approx 400 Kg of material as samples.

Day 4 Barry Price returns to Vancouver.

Costs - report, 4*4 (B.Price), groc, bags assay, filing work, video tape and reproductions, storage, equipment (small), food for jeweller, gas for 2 wheel truck, \$4,000.

Day 5 - 7 - Jim and jeweller (George) to Lytton to prospect for Jadeite (2nd try).

Day 8 - 11 - Kwoeik Creek by road and climbing to Jade and Vesuvianite showing to Video and collect samples and to assess extraction of 10-20 tons of Vesuvianite (ldocrase). Barry Price was previously on the property and has written a report. The value of Vesuvianite is similar to BC Jade. All side creeks along Kwoeik Cr. will be panned and silt samples will be assayed for PGE.

Cost of report and update should be low (\$500).

Costs - Lillooet to Lytton to Kwoeik Cr to Vancouver with 2 stops. 8 days total including report, samples, cutting samples, report, etc is \$3,000. There are no wages for the jeweller.

The total costs ofor both property assessments and reports is \$7,000. The additional days are at expenses only and are to stake and assess other showings. These two showings are the only ones with signifigant production and quality histories. Other Jade showings are in difficult and dangeroud locals.

Deal -

- 1. Money back
- 2. on vend a minimum equivalent 20 cent stock. We intend to mark up considerably.
- 3. A suite of samples and polished stones.
- 4. Video
- 5. reports, etc.

This is a summary of immediate requirements to do a first class job.

ONGOING

- 1. Opencut 200 mt Nephrite from Lillooet (COST \$ 70,000) delivered to Vancouver. Inclusive. Sales should be complete by DEC 93. Deal is money back 50/50 or take over VSE company.
- 2. Cassiar unknown
- 3. Prospecting of, and staking Jadeite occurrence4s require \$25,000. Range is Yukon border to Takla Lake.
 - 1 trust that you will find this proposal interesting.

regards,

James G. McDonald

07 MAY 93

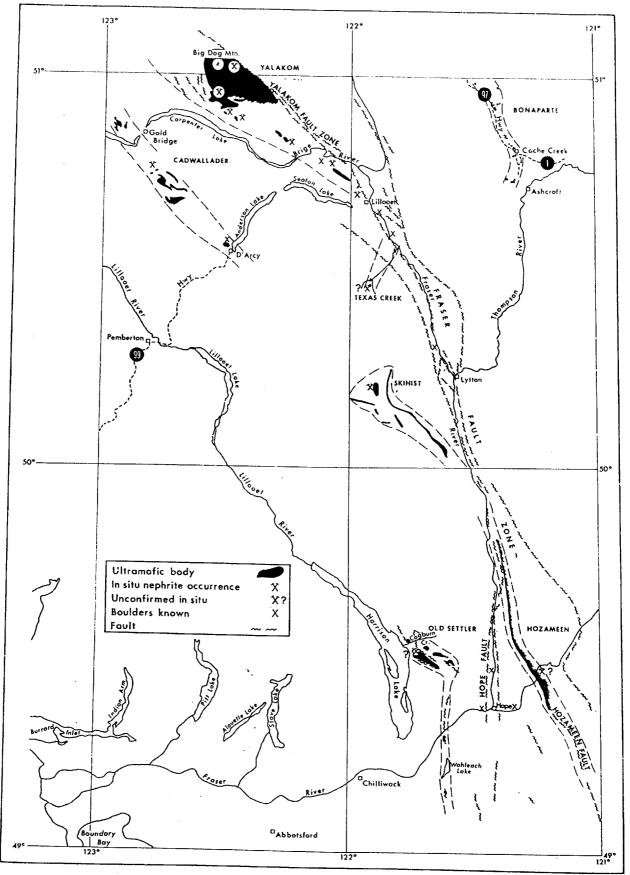


Figure 8. Nephrite deposits Lillooet segment.

J McDonald PO 48444 Stn Bentall Vancouver V7X 1A2 Tel: 431-5560 Fax: 688-5442

Mines Inspector Kamloops

Dear Sir,

Following is our plan for the Jade vein on the Yak 3 & 4.

1 JUN 93 we plan a property assessment, examine the layout of the showing of the Jade & 1.3m Talc vein for extraction and for a geological report. Silt and soil samples for PGE.

15 - 30 JUN 93 we plan a preliminary extraction of stockpile and talus and loose rock by dump truck (13 mt).

As for the vein itself we plan to cut blocks of Talc by hand tools. The Jade vein itself was previouusly mined by underground methods. Our plan is to simply blast away the sidewall where feasable and disperse the waste in an acceptable manner across the glacial debris. The vein itself is fractured and the Jade will be extracted using a ripper or pick on a backhoe. Our final choice of machinery will be 6 weeks off.

The reclamation will be the dispersal of material to conform with the local terrain and will be done, before the Jade can be J. G. McDonald extracted.

07 MAY 93



Province of British Columbia

Ministry of Energy, Mines and Petroleum Resources MINERAL RESOURCES DIVISION-TITLES BRANCH

RECORD OF 2 POST GLAIM - MINERAL ACT Map No . . . 92J/16W Record No. 3697 Mining Receipt No. 290072Jday MAY B.C. this 11th. recorded at. DO NOT WRITE IN LILLOOET SHADED AREA MINING DIVISION APPLICATION TO RECORD A 2 POST CLAIM

JAMES G. MCDONALD, P.O. BOX 4844, STATION BENTALL, VANCOUVER, (Address) B.C. VAX 1A2 294139 Holder of valld subsisting F.M.C. No. On the 19TH day of APRIL 19 87 at 3.30 P.M. (Time — indicate A.M. or P.M.) 7906 in North, 18300 meters EAST 44 (Here describe the position of the claim relative to known topographical or surveyed features on the map.) I have securely fastened to the No. 1 post, metal identification tag no. the following has been impressed:—

.. Date of Location APRIL 19, 1987 Name of claim YAK 3 LOCATOR JAMES G. MCDONALD 457,2 metres Compass bearing to No. 2 post . SOUTH Distance to No. 2 post

No of metres to right 457. 2 METRES to left ZERO of location line.

I have securely fastened to the No. 2 post, metal identification tag no . 548.87170 ... embossed 'Final Post (No. 2)', upon which the following has been impressed:—

Name of claim YAK 3 G. MCDONALD

Date of Location APRIL 19, 1987

Locator JAMES.

SUB-RECORDER RECEIVED

MAY 11 1987

M.R. #29.0012.\$

VANCOUVER, B.C.

WORK NO.'S OR C/L	DATE RECORDED	MINING RECEIPT	DATE OF EXPIRY	TRANSFERS (BILLS OF SALE, ASSIGNMENTS, CONVEYANCES)			
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121	May 11/89	22	1992				
209	Nov. 28.90.	7	1994				
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OP	TIONS, AGREEME	ENTS, ETC.			GROUP NOTICES, INCLUDING NAMES OF CLAIMS				

N/G 3659 JUNE 3/88 HELL FIRE GREEN GROUP

FILE NO.



NAME

MINISTRY

OFFICE OR **FACILITY**

Province of British Columbia

Ministry of Forests



TO

FAX HEADER

FROM: NAME Ja-15 Am MINISTRY OFFICE OR FACILITY

FAX NO. 687-5995 PHONE NO. FAX NO. PHONE NO. 256-1200 D SENT BY NO. PAGES AUTHORIZED DATE 9 3 | 62 | 04 Gars From SIGNATURE TO FOLLOW MESSAGE

FS 7 HIS 91/9 M28-2534

Project 1

James G. McDonald PO 48444 Stn Bentall

Van V7X 1A2

Tel: 681-8556/576-1590

Fax: 688-5442

JADE - LILLOOET NTS 92G/16W

<u>Claims</u> - Yak 3 (228841). Staked 07 MAY 86 - Yak 4 (228842). Expires 11 MAY 94

Access - Logging road to tree line, then old jade trail (4 * 4). Cabin on site.

<u>History</u> - previous production 100t. Best jade in southern BC.

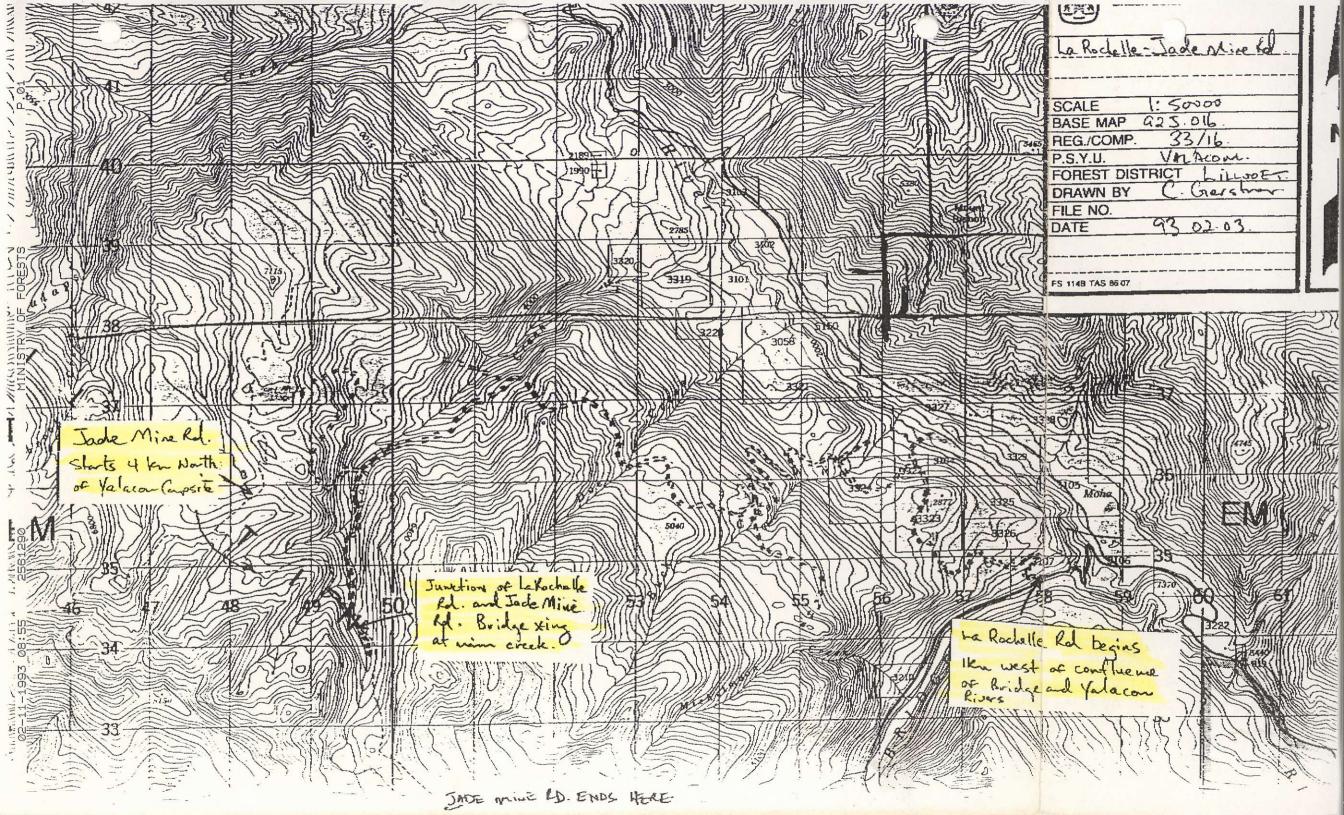
<u>Proposal</u> - Previous production was via 25 Km road (now over grown) by horse, then Cat. Small scale mining of talus and some under ground. Jade followed for 900 meters. Proposal is to use D8 & air trac from 1 JUN - 30 JUN 93. Style is to rip off side wall and peel off 2.4 meter vein. 1.2 meter saleable carving talc on vein wall.

Finance - \$60,000 required for 100 - 200 mt deliveered by rail to N Vancouver. Deal is money back and 50/50. Marketing in place. 50% rock or cash.

Summary

Recce with geologist - 3 days - Helicopter, wages, etc \$2500. D8 & Air Trac - 1 month -Wages 3 people 4 * 4 - 1 month Hauling to rail head -60 mt/ rail car off loaded N Van - \$1000/ carload mob - demob Misc equipment Powder qas, groceries contingency @ 20%

Returns - 100 mt @ \$3/Kg (low end) =100,000 Kg @ \$3/Kg





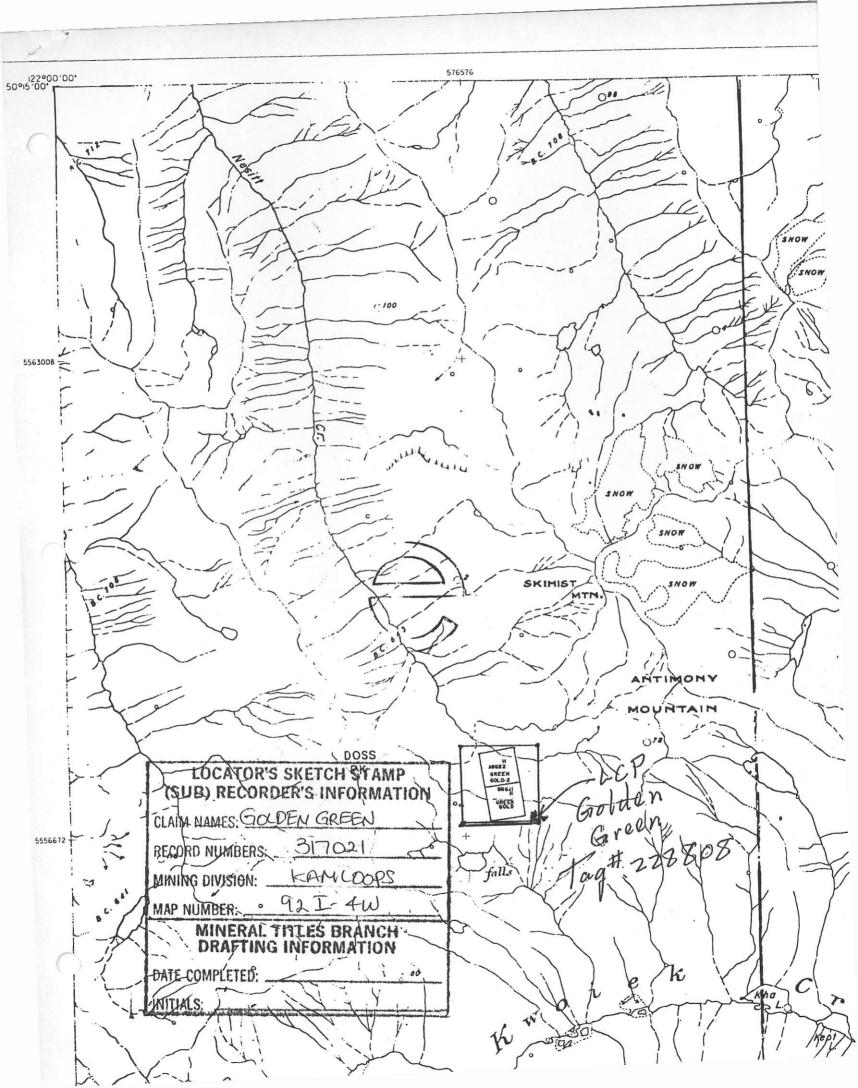






which the positions of the legal corner post and all corner posts (and witness and identification posts if applicable) are indicated.

SUB-RECORDER VANCOUVER, B.C.



J. G. McDonald

Box 48444 Stn. Bentall Vancouver V7X 1A2 620-475 Howe St. Tel: (604) 681-8556 Fax: (604) 688-5442

Arthur Anderson Trustees in Bankruptcy 2300 - 1055 West Hastings Vancouver B.C.

Sirs,

RE; CASSIAR ASBESTOS CORPORATION

Proposal Summary

- 1. Jade and other Lapidary rocks Royalty 10% of gross sale price.
- 2. Other Industrial minerals Royalty 5% gross sales price.
- 3. Gold, Platinum, Base metals, other metals 2% Net Smelter Return (Industry Standard).
- 4. The Royalties are to be capped at a negotiated price. Once the cresitors and the BC Government are paid out the chief beneficiary of our endeavours is the Provincial Government through Taxation.

Financing

Upon conclusion of an agreement J. McDonald (We) will formalize our association in a syndication, raise sufficient funds within 90 days (\$250,000). The initial funds will allow us to do due diligance by reviewing company data, and locate previous drill core, and to negotiate the assaying of core and other Joint Venture arrangements for precious and base metal prospecting.

The syndication will apply to list on the Vancouver Stosk Exchange during the winter 93 -94.

Source of Funds

1. Associates

- 2. J. McDonald owns 2 Jade claims in the Lillooet area. The property was a previous producer. There are 2 groups interested in pursuing this project. The project is 3 weeks in Jun 93 to extract 100 200 tonnes of Jade. Access is excellent. Anticipated returns are \$3,000/mt (low). Equipment is D8 & Tank drill.
- 3. Taiwan Investor

- 5. Major or Junior mining company
- 6. Pre sale of Jade

We realize that the Trustee wishes to wind this up as soon as possible. We further propose to make a substantial payment on sale of Jade or listing on the Vancouver Stock Exchange from an underwriting which ever comes first.

Time is of the Essence. We propose to demonstrate that our association is qualified to give this project the best shot. The exploration season starts 1 Jun 93 as far as reconnaisance is concerned. We need preparation time. Also the Open Pit is filling up with water.

Preamble

As with any deal it never looks the same at it's conclusion. 1, personally am the Instigator. The 3 M's - Money, Marketing, and Management.

Money

Various sources and styles, as above.

Marketing

Gordon McKnight, marketing manager for Princeton Mining.

J. McDonald - contacts New Zealand, Australia, Northern China

Consultants & Associates

Dr Hugh Gabrielse, former Director Geological Survey of Canada, 100 W Pender St. Tel: 666-0524, home: 985-6880. Dr Gabrielse has worked in the Cassiar area for 45 years. 1 have known him for 20 years and discussed this and related projects for 3 years. Dr Gabrielse is currently with the GSC & is not an associate.

Graham Scott (Scott - Bisset, 1020 - 999 W Hastings Tel: 683-1102). Graham Scott is our Counsel. Mr Scott is a Geologist - Lawyer who does Securities work. He is also well known at the Ministry of Mines as he teaches the Legal aspects at the annual Prospecting course.

Bill Morton - Geologist, President Eastfield Resources. Bill Morton will be attending our meeting as a consultant. I have known Mr Morton for 10 years. Mr Morton has attracted Placer - Dome to his company for Investment of substantial monies: Golden Rule Resources. Mr. Morton is interested in participating and is well aware of the agenda.

Gordon McKnight - marketing manager for Princeton Mining. Mr Mcknight has world wide marketing experience for Cassiar Asbestos and needs no further introduction to your firm.

Jim McDonald - prospector since 1971. Previous coal and Yew wood salesman to Japan (2 years total); Jade salesman to China for

Cassiar and Gemstone Corp (Australian). My previous letters and resumes are in your files.

Other - several other associates have expressed an interest that have funds and equipment. It' simply a matter of coming to a conclusion.

Gentlrmen, we remain,

J. McDonald & Associates Manager

FEE-08-1993 09:05 FRCM

TO

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atter Noil Bunker

U. G. McDonald Box 48444 Stn. Bentall Vancouver V7X 1.A2 620-475 Howe St. Tel: (604) 681-8556 688-5442 Fax

688 5205

Arthur Anderson Trustees in Bankruptcy 2300 - 1055 West Hastings Vancouver B.C.

Sirs,

RE: CASSIAR ASBESTOS CORPORATION - CONFIDIENTIALITY AGREEMENT

We, as J. McDonald & Associates, require complete privacy & confidientiality in regard to our proposal to acquire, manage, explore for, and mine minerals on mining lease #4. The purpose of this agreement is that we don't compete publically for our own proposal. Also we are associates and haven't decided on our final format.

If you agree to the above conditions, kindly sign beloow as indicated, keeping one copy for yourself.

Agraed to:

for Arthur Anderson & Associates

Trustees to Bankruptcy - Cassiar Asbestos Corporation

J. McDonald & Associates Manager

Gold, Platinum, base metals (speculation only) We can work out

with successors to

Asbestos mine)

gleaning rights (if possible) FTALC (Location not precise) Lapidary 4 Industrial minerals MADE (Location not precise) Lapidary tIndustrial) minerals

